

Rep. John E. Bradley

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public use; blight.

Filed: 4/18/2006

	09400SB3086ham003 LRB094 19181 RCE 58415 a
1	AMENDMENT TO SENATE BILL 3086
2	AMENDMENT NO Amend Senate Bill 3086, AS AMENDED,
3	by replacing all of Section 1-1-5 with the following:
4	"Section 1-1-5. Definitions. As used in this Act, except
5	with respect to the acquisition or damaging of property
6	authorized under the O'Hare Modernization Act:
7	"Acquisition of property", unless the context otherwise
8	requires, includes the acquisition, damaging, or use of
9	property or any right to or interest in property.
10	"Blighted area", "blight", and "blighted" have the same
11	meanings as under the applicable statute authorizing the
12	condemning authority to exercise the power of eminent domain
13	or, if those terms have no defined meaning under the applicable
14	statute, then the same meanings as under Section 11-74.4-3 of
15	the Illinois Municipal Code.
16	"Condemning authority" means the State or any unit of local
17	government, school district, or other entity authorized to
18	exercise the power of eminent domain."; and
19	by replacing all of Section 5-5-5 with the following:

"Section 5-5-5. Exercise of the power of eminent domain;

(a) In addition to all other limitations and requirements,

a condemning authority may not take or damage property by the

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exercise of the power of eminent domain unless it is for a public use, as set forth in this Section.

(a-5) Subsections (b), (c), (d), (e), and (f) of this Section do not apply to the acquisition of property under the O'Hare Modernization Act. A condemning authority may exercise the power of eminent domain for the acquisition or damaging of property under the O'Hare Modernization Act as provided for by law in effect prior to the effective date of this Act.

(a-10) Subsections (b), (c), (d), (e), and (f) of this Section do not apply to the acquisition or damaging of property in furtherance of the goals and objectives of an existing tax increment allocation redevelopment plan. A condemning authority may exercise the power of eminent domain for the acquisition of property in furtherance of an existing tax increment allocation redevelopment plan as provided for by law in effect prior to the effective date of this Act.

As used in this subsection, "existing tax increment allocation redevelopment plan" means a redevelopment plan that was adopted under the Tax Increment Allocation Redevelopment Act (Article 11, Division 74.4 of the Illinois Municipal Code) prior to April 15, 2006 and for which property assembly costs were, before that date, included as a budget line item in the plan or described in the narrative portion of the plan as part of the redevelopment project, but does not include (i) any additional area added to the redevelopment project area on or after April 15, 2006, (ii) any subsequent extension of the completion date of a redevelopment plan beyond the estimated completion date established in that plan prior to April 15, 2006, (iii) any acquisition of property in a conservation area for which the condemnation complaint is filed more than 12 years after the effective date of this Act, or (iv) acquisition of property in an industrial park conservation area.

As used in this subsection, "conservation area" and

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"industrial park conservation area" have the same meanings as under Section 11-74.4-3 of the Illinois Municipal Code.

- (b) If the exercise of eminent domain authority is to acquire property for public ownership and control, then the condemning authority must prove that (i) the acquisition of the property is necessary for a public purpose and (ii) the acquired property will be owned and controlled by the condemning authority or another governmental entity.
- (c) Except when the acquisition is governed by subsection (b) or is primarily for one of the purposes specified in subsection (d), (e), or (f) and the condemning authority elects to proceed under one of those subsections, if the exercise of eminent domain authority is to acquire property for private ownership or control, or both, then the condemning authority must prove by clear and convincing evidence that the acquisition of the property for private ownership or control is (i) primarily for the benefit, use, or enjoyment of the public and (ii) necessary for a public purpose.

An acquisition of property primarily for the purpose of the elimination of blight is rebuttably presumed to be for a public purpose and primarily for the benefit, use, or enjoyment of the public under this subsection.

Any challenge to the existence of blighting factors alleged in a complaint to condemn under this subsection shall be raised within 6 months of the filing date of the complaint to condemn, and if not raised within that time the right to challenge the existence of those blighting factors shall be deemed waived.

Evidence that the Illinois Commerce Commission has granted a certificate or otherwise made a finding of public convenience and necessity for an acquisition of property (or any right or interest in property) for private ownership or control (including, without limitation, an acquisition for which the use of eminent domain is authorized under the Public Utilities Act, the Telephone Company Act, or the Electric Supplier Act)

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to be used for utility purposes creates a rebuttable presumption that such acquisition of that property (or right or interest in property) is (i) primarily for the benefit, use, or enjoyment of the public and (ii) necessary for a public purpose.

In the case of an acquisition of property (or any right or interest in property) for private ownership or control to be used for utility, pipeline, or railroad purposes for which no certificate or finding of public convenience and necessity by the Illinois Commerce Commission is required, evidence that the acquisition is one for which the use of eminent domain is authorized under one of the following laws creates a rebuttable presumption that the acquisition of that property (or right or interest in property) is (i) primarily for the benefit, use, or enjoyment of the public and (ii) necessary for a public purpose:

- (1) the Public Utilities Act,
- (2) the Telephone Company Act,
- (3) the Electric Supplier Act,
- 20 (4) the Railroad Terminal Authority Act,
- 21 (5) the Grand Avenue Railroad Relocation Authority 22 Act,
 - (6) the West Cook Railroad Relocation and Development Authority Act,
 - (7) Section 4-505 of the Illinois Highway Code,
- 26 (8) Section 17 or 18 of the Railroad Incorporation Act,
- 27 (9) Section 18c-7501 of the Illinois Vehicle Code.
 - (d) If the exercise of eminent domain authority is to acquire property for private ownership or control and if the primary basis for the acquisition is the elimination of blight and the condemning authority elects to proceed under this subsection, then the condemning authority must: (i) prove by a preponderance of the evidence that acquisition of the property for private ownership or control is necessary for a public

purpose; (ii) prove by a preponderance of the evidence that the property to be acquired is located in an area that is currently designated as a blighted area or conservation area under an applicable statute; (iii) if the existence of blight or blighting factors is challenged in an appropriate motion filed within 6 months after the date of filing of the complaint to condemn, prove by a preponderance of the evidence that the required blighting factors existed in the area so designated (but not necessarily in the particular property to be acquired) at the time of the designation under item (ii) or at any time thereafter; and (iv) prove by a preponderance of the evidence at least one of the following:

- (A) that it has entered into an express written agreement in which a private person or entity agrees to undertake a development project within the blighted area that specifically details the reasons for which the property or rights in that property are necessary for the development project;
- (B) that the exercise of eminent domain power and the proposed use of the property by the condemning authority are consistent with a regional plan that has been adopted within the past 5 years in accordance with Section 5-14001 of the Counties Code or Section 11-12-6 of the Illinois Municipal Code or with a local land resource management plan adopted under Section 4 of the Local Land Resource Management Planning Act; or
- (C) that (1) the acquired property will be used in the development of a project that is consistent with the land uses set forth in a comprehensive redevelopment plan prepared in accordance with the applicable statute authorizing the condemning authority to exercise the power of eminent domain and is consistent with the goals and purposes of that comprehensive redevelopment plan, and (2) an enforceable written agreement, deed restriction, or

similar encumbrance has been or will be executed and recorded against the acquired property to assure that the project and the use of the property remain consistent with those land uses, goals, and purposes for a period of at least 40 years, which execution and recording shall be included as a requirement in any final order entered in the condemnation proceeding.

The existence of an ordinance, resolution, or other official act designating an area as blighted is not prima facie evidence of the existence of blight. A finding by the court in a condemnation proceeding that a property or area has not been proven to be blighted does not apply to any other case or undermine the designation of a blighted area or conservation area or the determination of the existence of blight for any other purpose or under any other statute, including without limitation under the Tax Increment Allocation Redevelopment Act (Article 11, Division 74.4 of the Illinois Municipal Code).

Any challenge to the existence of blighting factors alleged in a complaint to condemn under this subsection shall be raised within 6 months of the filing date of the complaint to condemn, and if not raised within that time the right to challenge the existence of those blighting factors shall be deemed waived.

(e) If the exercise of eminent domain authority is to acquire property for private ownership or control and if the primary purpose of the acquisition is one of the purposes specified in item (iii) of this subsection and the condemning authority elects to proceed under this subsection, then the condemning authority must prove by a preponderance of the evidence that: (i) the acquisition of the property is necessary for a public purpose; (ii) an enforceable written agreement, deed restriction, or similar encumbrance has been or will be executed and recorded against the acquired property to assure that the project and the use of the property remain consistent with the applicable purpose specified in item (iii) of this

subsection for a period of at least 40 years, which execution and recording shall be included as a requirement in any final order entered in the condemnation proceeding; and (iii) the acquired property will be one of the following:

- (1) included in the project site for a residential project, or a mixed-use project including residential units, where not less than 20% of the residential units in the project are made available, for at least 15 years, by deed restriction, long-term lease, regulatory agreement, extended use agreement, or a comparable recorded encumbrance, to low-income households and very low-income households, as defined in Section 3 of the Illinois Affordable Housing Act;
- (2) used primarily for public airport, road, parking, or mass transportation purposes and sold or leased to a private party in a sale-leaseback, lease-leaseback, or similar structured financing;
- (3) owned or used by a public utility or electric cooperative for utility purposes;
- (4) owned or used by a railroad for passenger or freight transportation purposes;
- (5) sold or leased to a private party that operates a water supply, waste water, recycling, waste disposal, waste-to-energy, or similar facility;
- (6) sold or leased to a not-for-profit corporation whose purposes include the preservation of open space, the operation of park space, and similar public purposes;
- (7) used as a library, museum, or related facility, or as infrastructure related to such a facility;
- (8) used by a private party for the operation of a charter school open to the general public; or
- (9) a historic resource, as defined in Section 3 of the Illinois State Agency Historic Resources Preservation Act, a landmark designated as such under a local ordinance, or a

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contributing structure within a local landmark district listed on the National Register of Historic Places, that is being acquired for purposes of preservation or rehabilitation.

(f) If the exercise of eminent domain authority is to acquire property for public ownership and private control and if the primary purpose of the acquisition is one of the purposes specified in item (iii) of this subsection and the condemning authority elects to proceed under this subsection, then the condemning authority must prove by a preponderance of the evidence that: (i) the acquisition of the property is necessary for a public purpose; (ii) the acquired property will be owned by the condemning authority or another governmental entity; and (iii) the acquired property will be controlled by a private party that operates a business or facility related to the condemning authority's operation of a university, medical district, hospital, exposition or convention center, mass transportation facility, or airport, including, but not limited to, a medical clinic, research and development center, food or commercial concession facility, social service facility, maintenance or storage facility, cargo facility, rental car facility, bus facility, taxi facility, flight kitchen, fixed based operation, parking facility, refueling facility, water supply facility, and railroad tracks and stations.

(g) This Article is a limitation on the exercise of the power of eminent domain, but is not an independent grant of authority to exercise the power of eminent domain."; and

29 by replacing all of Section 10-5-60 with the following:

30 "(was 735 ILCS 5/7-121)

Section 10-5-60 7-121. Value. Except as to property designated as possessing a special use, the fair cash market

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1 value of property in a proceeding in eminent domain shall be 2 the amount of money that which a purchaser, willing, but not 3 obligated, to buy the property, would pay to an owner willing,

4 but not obliged, to sell in a voluntary sale., which

For the acquisition or damaging of property under the O'Hare Modernization Act, the amount shall be determined as of the date of filing the complaint to condemn. For the acquisition of other property, the amount of money shall be determined and ascertained as of the date of filing the complaint to condemn, except that:

(i) in the case of property not being acquired under Article 20 (quick-take), if the trial commences more than 2 years after the date of filing the complaint to condemn, the court may, in the interest of justice and equity, declare a valuation date no sooner than the date of filing the complaint to condemn and no later than the date of commencement of the trial; and

(ii) in the case of property that is being acquired under Article 20 (quick-take), if the trial commences more than 2 years after the date of filing the complaint to condemn, the court may, in the interest of justice and equity, declare a valuation date no sooner than the date of filing the complaint to condemn and no later than the date on which the condemning authority took title to the property.

In the condemnation of property for a public improvement, there shall be excluded from the fair cash market value of the property such amount of money any appreciation in value proximately caused by the such improvement, and anv depreciation in value proximately caused by the such improvement. However, such appreciation or depreciation shall not be excluded when where property is condemned for a separate project conceived independently of and subsequent to the original project.

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- 1 (Source: P.A. 82-280.)"; and
- 2 by replacing all of Section 10-5-62 with the following:
- 3 "Section 10-5-62. Relocation costs. Except when federal funds are available for the payment of direct financial assistance to persons displaced by the acquisition of their 5 6 real property, in all condemnation proceedings for the taking 7 or damaging of real property under the exercise of the power of 8 eminent domain, the condemning authority shall pay to displaced persons reimbursement for their reasonable relocation costs, 9 determined in the same manner as under the federal Uniform 10 11 Relocation Assistance and Real Property Acquisition Policies 12 Act of 1970, as amended from time to time, and as implemented 13 by regulations promulgated under that Act. This Section does 14 not apply to the acquisition or damaging of property under the O'Hare Modernization Act."; and 15
- 16 by replacing all of Section 10-5-105 with the following:
- 17 "Section 10-5-105. Sale of certain property acquired by 18 condemnation.
 - (a) This Section applies only to property that (i) has been acquired after the effective date of this Act by condemnation or threat of condemnation, (ii) was acquired for public ownership and control by the condemning authority or another public entity, and (iii) has been under the ownership and control of the condemning authority or that other public entity for a total of less than 5 years.
- As used in this Section, "threat of condemnation" means 26 27 that the condemning authority has made an offer to purchase 28 property and has the authority to exercise the power of eminent 29 domain with respect to that property.
- (b) Any governmental entity seeking to dispose of property 30

- to which this Section applies must dispose of that property in 1
- 2 accordance with this Section, unless disposition of that
- 3 property is otherwise specifically authorized or prohibited by
- 4 law enacted by the General Assembly before, on, or after the
- 5 effective date of this Act.
- (c) The sale or public auction by the State of property to 6 7 which this Section applies must be conducted in the manner
- 8 provided in the State Property Control Act for the disposition
- 9 of surplus property.
- (d) The sale or public auction by a municipality of 10
- property to which this Section applies must be conducted in 11
- accordance with Section 11-76-4.1 or 11-76-4.2 of the Illinois 12
- 13 Municipal Code.

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- (e) The sale or public auction by any other unit of local 14
- 15 government or school district or property to which this Section
- applies must be conducted in accordance with this subsection 16
- 17 (e). The corporate authorities of the the unit of local
- 18 government or school district, by resolution, may authorize the
- 19 sale or public auction of the property as surplus public real
- 20 estate. The value of the real estate shall be determined by a
- written MAI-certified appraisal or by a written certified 21
- appraisal of a State-certified or State-licensed real estate 22
- 23 appraiser. The appraisal shall be available for
- inspection. The resolution may direct the sale to be conducted

by the staff of the unit of local government or school

- 26 district; by listing with local licensed real estate agencies,
- in which case the terms of the agent's compensation shall be
- 28 included in the resolution; or by public auction.
- 29 resolution shall be published at the first opportunity
- 30 following its passage in a newspaper or newspapers published in
- 31 the county or counties in which the unit of local government or
- 32 school district is located. The resolution shall also contain
- 33 pertinent information concerning the size, use, and zoning of
- the real estate and the terms of sale. The corporate 34

- authorities of the unit of local government or school district 1
- may accept any contract proposal determined by them to be in 2
- 3 the best interest of the unit of local government or school
- 4 district by a vote of two-thirds of the members of the
- 5 corporate authority of the unit of local government or school
- district then holding office, but in no event at a price less 6
- 7 than 80% of the appraised value.
- 8 (f) This Section does not apply to the acquisition or
- damaging of property under the O'Hare Modernization Act."; and 9
- by replacing all of Section 10-5-110 with the following: 10
- "Section 10-5-110. Offers of settlement by defendant; 11
- 12 attorney's fees and litigation expenses.
- 13 This Section applies only to proceedings for the
- acquisition of property for private ownership or control that 14
- are subject to subsection (c), (d), (e), or (f) of Section 15
- 16 5-5-5.

- (b) At any time between (i) the close of discovery in 17
- 18 accordance with Supreme Court Rule 218(c), as now or hereafter
- 19 amended, or another date set by the court or agreed to by the
- parties, and (ii) 14 days before the commencement of trial to 20
- 21 determine final just compensation, any defendant may serve upon
- 22 the plaintiff a written offer setting forth the amount of
- compensation that the defendant will accept for the taking of
- 24 that defendant's interest in the property. If the defendant
- does not make such an offer, the defendant shall not be 25
- 26 entitled to the attorney's fees and other reimbursement
- 27 provided under subsection (e) of this Section.
- (c) If, within 10 days after service of the offer, 28
- 29 plaintiff serves written notice upon that defendant that the
- 30 offer is accepted, then either of those parties may file a copy
- 31 of the offer and a copy of the notice of acceptance together
- with proof of service of the notice. The court shall then enter 32

judgment.

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- 2 (d) An offer that is not accepted within the 10-day period 3 is deemed to be withdrawn and evidence of the offer is not 4 admissible at trial.
- 5 (e) If a plaintiff does not accept an offer as provided in subsection (c) and if the final just compensation for the 6 defendant's interest is determined by the trier of fact to be 7 equal to or in excess of the amount of the defendant's last 8 written offer under subsection (b), then the court must order 9 10 the plaintiff to pay to the defendant that defendant's attorney's fees as calculated under subsection (f) of this 11 Section. The plaintiff shall also pay to the defendant that 12 defendant's 13 reasonable costs litigation and expenses, including, without limitation, expert witness and appraisal 14 15 fees, incurred after the making of the defendant's last written 16 offer under subsection (b).
 - (f) Any award of attorney's fees under this Section shall be based solely on the net benefit achieved for the property owner, except that the court may also consider any non-monetary benefits obtained for the property owner through the efforts of the attorney to the extent that the non-monetary benefits are specifically identified by the court and can be quantified by the court with a reasonable degree of certainty. "Net benefit" means the difference, exclusive of interest, between the final judgment or settlement and the last written offer made by the condemning authority before the filing date of the condemnation complaint. The award shall be calculated as follows, subject to the Illinois Rules of Professional Conduct:
- 29 (1) 33% of the net benefit if the net benefit is \$250,000 or less;
- 31 (2) 25% of the net benefit if the net benefit is more 32 than \$250,000 but less than \$1 million; or
- 33 (3) 20% of the net benefit if the net benefit is \$1 34 million or more.

1 (g) This Section does not apply to the acquisition of 2 property under the O'Hare Modernization Act.

Section 10-5-115. Eligible costs. Any cost required to be paid by a condemning authority under this Act, including, but not limited to, relocation costs and attorney's fees, shall be deemed a redevelopment project cost or eligible cost under the statute pursuant to which the condemning authority exercised its power of eminent domain, even if those costs are not identified as such as of the effective date of this Act."; and

by replacing all of Section 15-1-5 with the following:

"Section 15-1-5. Grants of power in other statutes; this Act controls. The State of Illinois and its various subdivisions and agencies, and all units of local government, school districts, and other entities, have the powers of condemnation and eminent domain that are (i) expressly provided in this Act or (ii) expressly provided in any other provision of law. Those powers may be exercised, however, only in accordance with this Act. If any power of condemnation or eminent domain that arises under any other provision of law is in conflict with this Act, this Act controls. This Section does not apply to the acquisition or damaging of property under the O'Hare Modernization Act."; and

by replacing all of Section 90-5-5 with the following:

"Section 90-5-5. Applicability. This Act applies only to complaints to condemn that are filed on or after its effective date."; and

by deleting Section 95-5-845; and

- by replacing all of Section 99-5-5 with the following: 1
- "Section 99-5-5. Effective date. This Act takes effect on 2
- 3 January 1, 2007.".